REQUEST FOR THE INITIATION OF AN EXPIRY REVIEW OF THE ANTI-DUMPING MEASURES OF THE ANTI-DUMPING MEASURES ON IMPORTS OF STAINLESS STEEL COLD-ROLLED FLAT PRODUCTS ORIGINATING IN THE PEOPLE'S REPUBLIC OF CHINA AND TAIWAN

EXECUTIVE SUMMARY

❖ INITIAL MEASURES

On 26 August 2015, the Commission adopted Commission implementing Regulation (EU) 2015/1429 imposing a definitive anti-dumping duty on imports of stainless steel cold-rolled flat products originating in the People's Republic of China and Taiwan. That regulation established that imports of stainless steel cold-rolled products originating in the countries concerned were sold in the EU at dumped prices, causing injury to the Union Industry. It therefore imposed anti-dumping duties ranging from 6.8% to 25.3% on imports from the countries concerned.

❖ APPLICANT

The Application is submitted by Eurofer, the European Steel Association, on behalf of its members active in the production of stainless steel Cold-rolled flat products (hereinafter referred to as "SSCR"):

Eurofer - the European Steel Association
Avenue de Cortenbergh, 172
B-1000 Brussels

Eurofer is the European Steel association, representing more than 95% of steel production in the European Union. Eurofer members are steel companies and national steel federations throughout the EU.

It is submitted on behalf of Union producers active in the production of SSCR products, as follows:

- Acerinox Europa SAU
- Aperam Stainless Europe
- Outokumpu Oyj
- Acciai Speciali Terni SpA

❖ PRODUCT CONCERNED

The product subject to this review is flat-rolled products of stainless steel, not further worked than cold-rolled (cold-reduced), currently falling under CN codes 7219 31 00, 7219 32 10, 7219 32 90, 7219 33 10, 7219 33 90, 7219 34 10, 7219 34 90, 7219 35 10, 7219 35 90, 7219 90 20, 7219 90 80, 7220 20 21, 7220 20 29, 7220 20 41, 7220 20 49, 7220 20 81, 7220 20 89, 7220 90 20 and 7220 90 80.

❖ PRODUCTION PROCESS

The first stage of the production of SSCR – the melting stage – is to melt raw materials containing the necessary alloying elements and to cast the liquid steel into solid slabs. At this stage, the various inputs, iron, chromium and nickel, and to a lower extent, other material necessary to achieve the desired grades, are combined to obtain liquid stainless steel of the desired grade. Two different production "routes" coexist, allowing the same downstream SSCR products in terms of grade (chemical and physical characteristics) or dimensions, through vastly different production processes and type of raw material inputs. Raw materials used at the melting stage may either be recycled materials with the appropriate chemical composition or ferro-alloys of various grade (share of the alloying element) and, more exceptionally, pure chemical elements.

In the EU, along with the US and Japan, stainless steel producers primarily rely essentially on recycled stainless steel scrap as the main raw material for the production of stainless steel, complemented by high-grade ferro-alloys. These inputs, containing all the chemicals necessary to achieve the grades, are melted together in an electric arc furnace (EAF). The molten material is further processed in an argon oxygen decarburisation converter (AOD) to remove carbon and secondary treatments are carried out as necessary. The liquid steel is then processed through a continuous casting process in which the molten metal is poured directly into a mould to produce the required shapes. After leaving the mould, the strand's shell is further cooled until it has completely solidified. The strand is cut into lengths to obtain compact rectangular blocks of crude steel, called slabs.

In more recent stainless steel producing countries, essentially China and Indonesia, stainless steel producers essentially rely, instead of stainless steel scraps, on NPI an aggregate of lower-grade nickel ore and iron, the production of which they are vertically integrated with. In Taiwan, the production process, which relied traditionally on the use of a significant share of stainless steel scraps as a source of nickel, is currently shifting towards a more NPI-based type of production relying on imported inputs..

Besides NPI, the integrated production route relies on chromium, coking coal and a mixture of gravel and sand. This mixture is then melted together with other raw materials, usually in a blast oxygen furnace ("BOF"), but also in rotary kiln electric furnaces ("RKEF") for the most modern facilities. If the NPI is produced internally, the melt will be kept liquid and poured directly into the AOD or a vacuum oxygen decarburising converter. After AOD, the liquid metal is transferred to the continuous casting machine for transformation into a semi-finished product. This production route also diverges by the fact that as NPI requires significant smelting and sintering to remove the impurities in the ore. Consequently, that production process requires greater quantities of energy.

At the hot rolling mill stage, slabs are rolled to obtain hot-rolled flat products. For that reason, slabs are pre-heated (or not cooled) prior to rolling and then reduced to a predetermined thickness in the roller gap of a hot rolling mill by pressure applied between two rollers. The resulting product is known as hot rolled black band.

After the initial annealing and pickling, the input is rolled at ambient temperature to the required thickness on reversing cluster mills or tandem mills for a number of passes until the desired dimensions are achieved, or until hardening necessitates further annealing. In order to obtain the desired thickness, in particular for the lower thickness materials, a same coil may be subjected to several stages of rolling. The

product may be further annealed or tempered in order to strength and hardness of the final product and to improve the flatness of the product.

Additional surface treatments, such as polishing or brushing may be undertaken at this stage of the production process in order to render the product suitable for particular uses of customers.

❖ USES OF THE PRODUCT

Stainless steel cold-rolled flat products are used by a very large variety of downstream industries and in a wide range of final applications where resistance to both atmospheric and chemical corrosion is necessary and where hygiene and surface aesthetic characteristics (brilliance, surface coating and/or decoration), may also be essential.

The market and applications for such products are very diversified, justifying different finishes of the product. The main end-applications of such products are the following:

- Process equipment for handling the wide range of chemicals used by processing industries, i.e. pulp and paper, textile, food and beverages, pharmaceutical, medical, etc.;
- Consumer durables and domestic appliances, such as kitchen utensils, tableware and cutlery, pots, pans, etc.;
- Architecture, building and construction -'ABC'-
- Transport and car manufacturing: exhaust systems, decoration, safety and structural components; manufacture of railway trucks and carriages, road tankers, refrigerated containers, etc.;
- Energy, such as offshore plants and nuclear equipment, manufacture of tubes for fluids transport, decoration, structural applications, heat exchangers;
- A wide number of other applications such as: bridge structures, desalinisation plants, pacers in double-glazed window panes, manufacture of medical equipment, public lighting and street furniture equipment; shipbuilding;

❖ SUMMARY OF THE CASE

With this Application, Eurofer requests the European Commission to initiate an expiry review of the anti-dumping measures on unfair imports of stainless steel cold-rolled flat products originating in the People's Republic of China and Taiwan, as applied by Commission implementing Regulation (EU) 2015/1429 of 26 August 2015 imposing a definitive anti-dumping duty on imports of stainless steel cold-rolled flat products originating in the People's Republic of China and Taiwan, with the aim of extending the existing measures for a five-year period.

SSCR is a stainless steel flat product widely used in a number of downstream industries ranging from construction or energy equipment and infrastructure to consumer goods or vehicles thanks to its

corrosion resistance, strength, versatility and aesthetic qualities, stemming in particular from the specific alloying elements used for its production such as chromium, nickel or molybdenum.

In the European Union, SSCR is manufactured essentially by integrated producers transforming stainless steel scrap and alloying elements in SSCR after melting, hot rolling and cold rolling. That process relies on recycling all used stainless steel products, and helps minimise both the use of virgin resources and the quantity of untreated waste. Similarly, the EU production process for SSCR is a prime example of a local circular economy system and contributes to the fulfilment of EU policy objectives of reducing carbon emissions and ensuring resource efficiency.

On the basis of imports of the countries concerned to the EU or to third countries, the Union industry finds prima facie evidence of likelihood of continuation and recurrence of a significant level of dumping of imports on the EU market **ranging from 36.9% to 178.2% for Chinese imports, and ranging from 9.5% to 46.2% for imports from Taiwan**.

Recent measures imposed on imports of these origins by third countries and EU provisional findings on the upstream SSHR moreover confirm that likelihood.

It is also of particular relevance that despite the imposition of antidumping duties following the initial investigation, the volume of imports from the countries concerned remained high, especially for imports from Taiwan and presents a marked increasing trend.

The Union SSCR industry is moreover in a degraded and vulnerable situation and faces a continuation of the injury found initially and/or, at the very least, a clear likelihood of recurrence of injury. Main injury indicators of the industry, and notably sales, production, capacity use and profitability show a clear degradation over the 2016 -2019 period, with a clear aggravation in 2019.

The Applicant moreover notes that in the coming years, the production capacities dedicated to exports in the countries concerned will increase massively, with new capacities entering into operation as soon as 2020. These added capacities will further increase the pressure of the unfair SSCR exports on the Union Industry. In that context, the Union Industry, being caught between ever increasing regulatory costs and ever diminishing import prices, faces an imminent and obvious further aggravation of the injury.

In addition, the on-going COVID 19 crisis further exacerbates the likelihood of continuation and recurrence of injury and dumping. The collapse in domestic demand has led to massive levels of inventories and forces producers to aggressively pursue export opportunities, sometimes encouraged by governmental policies. In parallel, the EU consumption has been significantly affected, increasing the vulnerability of the Union producers. In these conditions any lost market share will disproportionally increase the injury to the Union industry.

In the absence of extension of the measures, it is expected that, despite sufficient local production capacity, the SSCR consumed in the EU will essentially be imported SSCR produced at a much higher environmental cost, both in terms of carbon emissions and the use of virgin resources, leaving the EU to address new waste treatment and employment issues, as well as the dismantlement of a successful example of EU circular economy model. .

It is therefore essential that the European Commission extend the measures in place on imports of SSCR from China and Taiwan.

❖ KNOWN INTERESTED PARTIES

Union Industry

- ACCIAI SPECIALI TERNI SPA
- ACERINOX EUROPA SAU
- APERAM STAINLESS EUROPE
- MARCEGAGLIA SPECIALTIES
- OTELINOX SA
- OUTOKUMPU OYJ
- SIJ ACRONI

Exporting producers (PRC)

- "BAOSTEEL" BAOSHAN IRON AND STEEL Co. Ltd (Stainless Steel Branch)
- "JISCO" JIUQUAN IRON AND STEEL (GROUP) Co. Ltd
- "LISCO" LIANZHONG STAINLESS STEEL CORPORATION
- "POSCO" ZHANGJIAGANG POHANG STAINLESS STEEL Co. Ltd (ZPSS)
- "TISCO" SHANXI TAIGANG STAINLESS STEEL Co. Ltd TAIYUAN IRON AND STEEL (Group) Co. Ltd
- "TSINGSHAN" TSINGSHAN HOLDING GROUP
- BAOCHIA
- BAOSTEEL DESHENG STAINLESS STEEL
- BAOXIN STAINLESS STEEL
- BEIHAI CHENGDE FERRONICKEL STAINLESS STEEL
- BEIHAI CHENGDE STAINLESS STEEL Co. Ltd
- BENGANG STAINLESS COLD ROLLING
- CASEY STAINLESS STEEL
- CHENGFEND TECH
- DAYE STAINLESS STEEL
- DINGXIN TECHNOLOGY (TSINGSHAN FUAN)
- FOSHAN CHENGDE NEW MATERIALS
- FUAN COLD ROLLING TECHNOLOGY
- FUJIAN YONGJIN
- FUXIN SPECIAL STEEL
- GAOMING TAIYU STAINLESS STEEL
- GUANGDONG CHANGHUA
- GUANGDONG YONGJIN METAL
- GUANGXI DINGFENG STAINLESS
- HAILI GROUP
- HEBEI IRON & STEEL
- HONGJI STAINLESS STEEL

- HONGWANG INVESTMENT GROUP
- IRESTAL SHANGHAI STAINLESS PIPELINE
- JIANGSU DELONG
- JIANGSU JURONG ZHONGSHENG
- JINHAI STAINLESS
- JINHUI WEIDE PRECISION STEEL
- JINYUN XINYONGMAO
- JISCO TIANGFEN
- LIANYUNGANG HUALE ALLOY
- NANJING GANGLIAN
- QIANYUAN STAINLESS STEEL
- QINGDAO POHANG STAINLESS STEEL (QPSS)
- RIYING STAINLESS STEEL
- SAMSUNG
- SHANDONG HONGWANG
- SHANDONG TAIJIA NEW MATERIALS
- SHOUGANG KAIXI STAINLESS STEEL
- TAINCHENG STAINLESS STEEL PRODUCTS
- TAISHAN STAINLESS STEEL
- TANGSHAN STAINLESS STEEL Co. Ltd
- TIANHONG MATERIAL TECHNOLOGY
- TIANHONG METAL MATERIALS
- TIANHONG STAINLESS STEEL
- TIANJIN TIANGUAN YUANTONG STAINLESS STEEL
- TSING TUO SHANG KE
- TSINGSHAN QINGYUAN
- WUHANG STAINLESS STEEL
- XINWEN MINING
- XUYUAN STAINLESS STEEL
- YANGJIANG HONGWANG
- YONGJIN STAINLESS STEEL
- YUAO PURENOVO STAINLESS STEEL
- YULIN ZHONGJIN METAL
- ZHANGZHOU YONGDA STAINLESS STEEL Co. Ltd
- ZHONGDHE STAINLESS STEEL

Exporting producers (Taiwan)

- YIEH CORP
- WALSIN
- TANGENG

Importers

- ACCIAI VENDER S.P.A.
- ACINESGON

- ACINESGON SA
- ALACER MAS SA
- ALACER MAS SL
- ALINOX S.A.
- AMARI METALS
- ARINOX
- BTH IMPORT STAL
- C.P.C. INOX S.P.A.
- CARL SPAETER GMBH
- CENTURY STEEL
- CHROM STAHL- UND METALLHANDEL GMBH
- COMMIT METALLI S.R.L.
- DAMSTAHL A/S
- DAMSTAHL GMBH
- DUFERCO
- ECOR SPA
- ELG HANIEL GMBH
- EUROACCIAI S.P.A
- EUROSTAHL HANDELS GMBH & CO. KG
- FERLAT ACCIAI S.P.A.
- GAVINOX
- GAVINOX S.R.L.
- H. BUTTING GMBH & CO. KG
- HERNANDEZ STAINLESS GMBH
- HW-INOX GMBH
- HYOSUNG BNG
- ILTA INOX SPA
- IMS BELGIUM
- INOX PA S.P.A.
- IRESTAL GROUP BERGARA
- KREUER EDELSTAHL GMBH
- LEMVIGH-MULLER A/S
- LSI LAMIERE SPECIALI INOX S.P.A.
- MANNI INOX S.P.A.
- MARCEGAGLIA
- MCB GROUP
- NICHELCROM ACCIAI INOX S.P.A.
- NORDER BAND AG
- NOVA TRADING SA
- OIKI ACCIAI INOSSIDABILI S.P.A.
- OTELINOX
- PADANA TUBI E PROFILATI ACCIAIO INOX
- RAVANI ACCIAI S.P.A.
- ROBA METALS BV
- S.I.P.I. SPA

- SADEL
- SIDERMARIOTTI S.R.L.
- SOGEMET
- TAD INOX BV
- THE METAL CENTRE
- THYSSENKRUPP MATERIALS NV
- THYSSENKRUPP SCHULTE (BSM) GMBH
- TIBNOR AB
- TKM GMBH
- TRESOLDI METALLI SRL

Users

- A.D. TUBI INOSSIDABILI S.P.A.
- ACCIAI VENDER S.P.A.
- ACINESGON
- ALACER MAS SL
- ALINOX S.A.
- AMARI METALS
- ARINOX S.P.A.
- BLANCO GMBH & CO KG
- C.P.C. INOX S.P.A.
- CARL SPAETER GMBH
- CHROM STAHL- UND METALLHANDEL GMBH
- COMMIT METALLI S.R.L.
- DAMSTAHL GMBH
- EBERSPÄCHER ETSW AB
- ELG HANIEL GMBH
- EUROSTAHL HANDELS GMBH & CO. KG
- FERLAT ACCIAI S.P.A.
- H. BUTTING GMBH & CO. KG
- HERNANDEZ STAINLESS GMBH
- HW-INOX GMBH
- ILTA INOX SPA
- IRESTAL GROUP BERGARA
- ITLA INOX S.P.A.
- KLÖCKNER & CO DEUTSCHLAND GMBH ZWEIGNIEDERLASSUNG OSNABRUECK
- KREUER EDELSTAHL GMBH
- LSI LAMIERE SPECIALI INOX S.P.A.
- MARCEGAGLIA
- MCB GROUP
- NORDER BAND AG
- NOVA TRADING SA
- OIKI ACCIAI INOSSIDABILI S.P.A.

- OTELINOX
- PADANA TUBI E PROFILATI ACCIAIO INOX
- PADANA TUBI E PROFILATI ACCIAIO SPA
- RAVANI ACCIAI S.P.A.
- REPLASA
- S.I.P.I. SPA
- SAMSUNG ELECTRONICS POLAND MANUFACTURING SP. Z O. O.
- SIDERINOX S.P.A.
- STALATUBE OY
- TIBNOR AB
- TKM GMBH
- VERTRIEBSGESELLSCHAFT MAIKRANZ GMBH & CO.KG